GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3074
ANSWERED ON:16.03.2001
TAX EXEMPTION FOR VRS PACKAGES
DALPAT SINGH PARASTE

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that employees opting for voluntary retirement schemes have approached the Government pleading for making the VRS packages of banks and Public Sector Undertakings more attractive by giving them tax-relief;

(b) whether they have sought the tax exemption limit on VRS benefits to be enhanced;

(c) if so, the details thereof; and

(d) the reaction of Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

(a) & (b) Yes Sir.

(c) & (d) During the pre-Budget exercise, a number of representations have been received from employees requesting to enhance the tax exemption limit on VRS benefits. These representations have been considered and it has been decided not to increase the present exemption limit of Rs. 5 lakhs.